



SHORE CAPITAL



PUMA VCT V PLC

INTERIM REPORT

For the six months ended 31 August 2012

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Chairman's Statement

Highlights

- Top performing limited life VCT of its peer group
- 16p per ordinary share of dividends paid during the period
- Undiluted net asset value per share including dividends to date of 104.75p
- Fully diluted net asset value including dividends to date of 103.80p

Introduction

During the six months to 31 August 2012, the Company made significant distributions to shareholders as the Investment Manager has continued to pursue the cautious approach which has protected the Company from the difficult and volatile financial market conditions we have faced since 2008. The Company has remained selective in its investments as the economic outlook continues to be uncertain but far from positive. Cumulative dividends paid to date total 19p per ordinary share as your Board continues to pursue its mandate of returning capital to investors.

Qualifying investments

As indicated in the Company's latest Annual Report, the Company successfully realised its investment in Forward Internet Group Limited (formerly Traffic Broker Limited) ("Forward"), a London based internet search engine specialist in which the Company invested £1 million, during

the period. Forward has enjoyed very impressive growth during the period of the Company's investment, which generated an IRR of 7.1% for the Company, and we are pleased that the Company was able to assist in the development of this exciting business.

Our investment in Alyth Trading Limited ("Alyth") is progressing well as indicated in the Company's latest Annual Report. Alyth is a contracting services company providing project management services to a £3.8 million development of town houses in Mirfield (near Wakefield) West Yorkshire, as a member of a limited liability partnership with other contracting companies. The development itself is progressing well with the first of three phases almost complete and more than half of phase one houses sold.

The Company previously invested £940,000 into each of two contracting companies, Dunkeld Trading Limited and Elgin Trading Limited, committing

Chairman's Statement continued

£1.88m in total. During the period, these two companies have joined a limited liability partnership with other contracting companies, which is project managing and acting as a lead contractor for up to five pre-let developments providing supported living, which will use £5.4m in total of finance from Puma VCTs. The accommodation will be used by psychiatric and learning disabled people who are housed and given support by local authorities and other social care organisations. The five projects to be built in various towns are being constructed by a subsidiary of Morgan Sindall Plc, which is also investing in the developments.

There are a number of other contracting services opportunities which are currently being evaluated for the other trading companies in the portfolio. The Investment Manager expects to see further contracts for services being awarded or acquisitions being completed in the next six months.

Having achieved its 70% qualifying status, the Company is concentrating on due diligence for current opportunities, on the monitoring of our existing investments, and considering the options for exits.

Non-qualifying investments

As indicated in the Company's latest Annual Report, the Investment Manager was reducing the non-qualifying portfolio in line with the life of the Company and to reflect current conditions in securities markets. Holdings in the Puma Absolute Return Fund and Bluebay Macro fund were disposed of during the period. The Company's remaining non-qualifying holdings are in the Blackrock UK Emerging Companies Fund, a long short small/mid cap UK equities fund which has produced a total return of 27.45% since the Company's investment, and in cash.

Net Asset Value ('NAV')

The net asset value remains significantly above the other VCTs in the Company's peer group, despite the difficult economic conditions into which the Company was launched. During the period, the Company's net asset value fell slightly by 0.3% (adding back dividends paid) to 104.75p.

Dividends

As set-out in the accounts for the period ended 29 February 2012, a dividend of 1p per ordinary share was declared during the period and paid on 15 August 2012. An interim dividend of 15p per ordinary

share was declared and paid during the period from the proceeds of the successful realisation of the Company's investment in Forward. This brought cumulative dividends paid to date of 19p per ordinary share. Your Board is not proposing a further dividend in relation to this interim period but reiterates the intention to distribute a large element of the available income and, if appropriate, realise capital gains when possible.

VCT Qualifying Status

PricewaterhouseCoopers LLP ('PwC') provides the board and the Investment Manager with advice on the ongoing compliance with Her Majesty's Revenue & Customs ("HMRC") rules and regulations concerning VCTs. PwC assists the Investment Manager in establishing the status of investments as qualifying holdings and has reported that the Company has met all HMRC's criteria to date.

Principal risks and uncertainties

Continuing uncertainty whilst the Eurozone continues to be in crisis and the UK economy remains in recessionary conditions has meant that markets remain turbulent. The consequences of this continued volatility and its affect on the

Company's investment portfolio constitute the principal risk and uncertainty for the Company in the second half of 2012.

Life of fund

The Company was established with the intention that it would have a limited life. The Prospectus stated that after five years the Board would propose a resolution to shareholders for an orderly liquidation of the Company's assets. The Board currently intends to propose this resolution within a year of this report.

Outlook

During the period, the Investment Manager has seen its qualifying portfolio companies enter into some attractive projects. Other opportunities for projects which will deploy the remaining funds in qualifying companies are in process and are expected to be concluded in the short term. The projects underway are progressing well and should enable the Company to continue to perform over its remaining life.

David Vaughan

Chairman

29 October 2012

Income Statement (unaudited)

For the six months ended 31 August 2012

	Note	Six months ended 31 August 2012			Six months ended 31 August 2011			Year ended 28 February 2012		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/gain on investments		–	9	9	–	(24)	(24)	–	(30)	(30)
Income		53	–	53	103	–	103	177	–	177
		53	9	62	103	(24)	79	177	(30)	147
Investment management fees	4	(7)	(21)	(28)	(22)	(66)	(88)	(39)	(117)	(156)
Performance fees		5	–	5	(4)	17	13	72	25	97
Other expenses		(64)	–	(64)	(56)	–	(56)	(125)	–	(125)
		(66)	(21)	(87)	(82)	(49)	(131)	(92)	(92)	(184)
Return/(loss) on ordinary activities before taxation		(13)	(12)	(25)	21	(73)	(52)	85	(122)	(37)
Tax on return on ordinary activities		–	–	–	(5)	5	–	(2)	2	–
Return/(loss) on ordinary activities after tax attributable to equity shareholders		(13)	(12)	(25)	16	(68)	(52)	83	(120)	(37)
Basic return/(loss) per Ordinary Share (pence)	2	(0.17p)	(0.16p)	(0.33p)	0.21p	(0.91p)	(0.70p)	1.11p	(1.60p)	(0.49p)
Diluted return/(loss) per Ordinary Share (pence)	2	(0.24p)	(0.16p)	(0.40p)	0.27p	(1.14p)	(0.87p)	0.15p	(1.94p)	(1.79p)

The revenue column of this statement is the profit and loss of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Balance Sheet (unaudited)

As at 31 August 2012

	Note	As at 31 August 2012 £'000	As at 31 August 2011 £'000	As at 28 February 2012 £'000
Fixed Assets				
Investments	7	5,070	7,249	6,714
Current Assets				
Debtors		59	27	29
Cash		1,338	680	962
		1,397	707	991
Creditors - amounts falling due within one year		(58)	(253)	(70)
Net Current Assets		1,339	454	921
Total Assets less Current Liabilities		6,409	7,703	7,635
Creditors – amounts falling due after more than one year (including convertible debt)		(1)	(1)	(1)
Net Assets		6,408	7,702	7,634
Capital and Reserves				
Called up share capital		75	75	75
Capital reserve – realised		157	99	124
Capital reserve – unrealised		(22)	100	23
Other reserve		70	159	75
Revenue reserve		6,128	7,269	7,337
Equity Shareholders' Funds		6,408	7,702	7,634
Net Asset Value per Ordinary Share	3	85.75p	103.07p	102.16p
Diluted Net Asset Value per Ordinary Share	3	84.80p	101.86p	101.13p

Cash Flow Statement (unaudited)

For the six months ended 31 August 2012

	Six months ended 31 August 2012 £'000	Six months ended 31 August 2011 £'000	Year ended 28 February 2012 £'000
Operating activities			
Interest income received	23	239	156
Dividend income received	–	–	3
Investment management fees paid	(32)	(82)	(153)
Directors' fees paid	(28)	(17)	(41)
Other cash payments	(42)	(54)	(75)
Net cash inflow/(outflow) from operating activities	(79)	86	(110)
Capital expenditure and financial investment			
Proceeds from sale of investments	1,652	–	529
Transaction costs	(1)	–	(1)
Net cash outflow from capital expenditure and financial investment	1,651	–	528
Equity dividend paid	(1,196)	(75)	(75)
Financing			
Redemption of redeemable performance shares	–	–	(50)
Net cash outflow from financing	–	–	(50)
Decrease in cash	376	11	293
Net cash at start of the period	962	669	669
Net funds at the period end	1,338	680	962

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 31 August 2012

	Called up share capital £'000	Capital reserve- realised £'000	Capital reserve- unrealised £'000	Other reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 1 March 2011	75	160	106	172	7,328	7,841
Total recognised (losses)/gains for the period	–	(61)	(6)	(13)	16	(64)
Dividends paid	–	–	–	–	(75)	(75)
Balance as at 31 August 2011	75	99	100	159	7,269	7,702
Total recognised (losses)/gains for the period	–	25	(77)	(84)	68	(68)
Balance as at 28 February 2012	75	124	23	75	7,337	7,634
Total recognised (losses)/gains for the period	–	33	(45)	(5)	(13)	(30)
Dividends paid	–	–	–	–	(1,196)	(1,196)
Balance as at 31 August 2012	75	157	(22)	70	6,128	6,408

Notes to the Interim Report

For the six months ended 31 August 2012

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP").

2. Return per Ordinary Share

The total loss per share of 0.33p (31 August 2011 – loss per share of 0.70p) is based on the loss for the period of £25,000 (31 August 2011 – loss of £52,000) and the weighted average number of shares in issue as at 31 August 2012 of 7,472,812 (31 August 2011 – 7,472,812).

3. Net asset value per share

	As at 31 August 2012	As at 31 August 2011	As at 28 February 2012
Net assets	6,408,000	7,702,000	7,634,000
Number of Ordinary Shares	7,472,812	7,472,812	7,472,812
Dilutive effect of performance fee	84,126	88,834	75,888
	<hr/> 7,556,938	<hr/> 7,561,646	<hr/> 7,548,700

Net asset value per share

Basic	85.75p	103.07p	102.16p
Diluted	84.80p	101.86p	101.13p

4. Management fees

The Company pays the Investment Manager an annual management fee of 2% of the Company's net assets. The fee is payable quarterly in arrears. The annual management fee is allocated 75% to capital and 25% to revenue.

5. Related Party Transactions

Related party transactions are described in the 2012 Annual Report and Accounts on page 35. There were no other related party transactions during the six months ended 31 August 2012.

6. The financial information for the six months ended 31 August 2012 and 31 August 2011 has not been audited and does not comprise full financial statements within the meaning of Section 423 of the Companies Act 2006. The financial information for the Period ended 28 February 2012 has been extracted from the company's full financial statements for the period then ended that have been delivered to the Registrar of Companies, and on which the report of the Auditors was unqualified. The interim financial statements have been prepared on the same basis as the annual financial statements.

7. Investment portfolio summary

As at 31 August 2012	Valuation £'000	Cost £'000	Gain/ (loss)	Valuation as a % of Net Assets
Qualifying Investment – Unquoted				
Alyth Trading Limited	940	940	–	15%
Benellen Trading Limited	940	940	–	15%
Cawdor Trading Limited	940	940	–	15%
Dunkeld Trading Limited	940	940	–	15%
Elgin Trading Limited	940	940	–	15%
Total Qualifying Investments	4,700	4,700	–	75%
Non-Qualifying Investments				
Blackrock UK Emerging Cos Hedge Fund Limited (I60 class)	370	290	80	6%
Total Non-Qualifying investments	370	290	80	6%
Total Investments	5,070	4,990	80	81%
Balance of Portfolio	1,338	1,338		19%
Net Assets	6,408	6,328	80	100%

Officers and Professional Advisers

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Graham Shore

Secretary

Eliot Kaye

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